

Assembly Bill No. 696

Passed the Assembly September 7, 2011

Chief Clerk of the Assembly

Passed the Senate August 31, 2011

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2011, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 63041 of, and to add Sections 63024.6 and 63034.7 to, and to repeal Section 63040 of, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 696, Hueso. Bergeson-Peace Infrastructure and Economic Development Bank Act.

(1) The Bergeson-Peace Infrastructure and Economic Development Bank Act sets forth the duties of the California Infrastructure and Economic Development Bank in financing economic development facilities, and promoting infrastructure and economic development opportunities in the state generally.

This bill would require the bank to consult, and authorize it to coordinate implementation of its revolving loan program, with local and regional revolving loan funds and networks of revolving loan funds, for specified purposes.

(2) The act requires the bank to establish criteria, priorities, and guidelines for the selection of public infrastructure projects to receive assistance from the bank, to be based on a minimum of specified factors.

This bill would repeal these provisions and instead apply these requirements to public and private projects that receive conduit financing through the bank. The bill, beginning January 1, 2013, would require a project selected to receive this assistance from the bank to additionally have economic development benefits and meet land use criteria pursuant to these provisions.

This bill would also require the bank to develop a methodology and process to allow the bank to measure the economic development benefits of a project.

The people of the State of California do enact as follows:

SECTION 1. Section 63024.6 is added to the Government Code, to read:

63024.6. The bank shall consult, and may coordinate implementation of its revolving loan program, with local and

regional revolving loan funds and networks of revolving loan funds, for the purpose of improving the infrastructure and small business credit markets.

SEC. 2. Section 63034.7 is added to the Government Code, to read:

63034.7. (a) Following consultation with appropriate state and local agencies, the bank shall establish criteria, priorities, and guidelines for the selection of projects to receive assistance from the bank. Projects shall comply with the criteria, priorities, and guidelines adopted by the bank and comply with the requirements of subdivision (c).

(b) The bank shall develop a methodology and process to allow the bank to measure the anticipated economic development benefits of a project.

(c) Beginning January 1, 2013, the bank shall only select a project to receive assistance pursuant to this section if the project meets both of the following criteria:

(1) (A) The project has economic development benefits.

(B) For purposes of this paragraph, a project has economic development benefits if the project would provide for some quantitative level of economic benefit, including, but not limited to, the creation or retention of jobs, growth of the property tax base, growth of sales tax revenues, or as otherwise determined by the bank using the methodology developed pursuant to subdivision (b).

(2) The project meets land use criteria.

(d) The criteria, priorities, and guidelines shall, at a minimum, be based upon the following:

(1) The State Environmental Goals and Policy Report, or its successor, approved pursuant to Article 5 (commencing with Section 65041) of Chapter 1.5 of Division 1 of Title 7.

(2) If the sponsor is a state agency, board, commission, or department, the Capital and Infrastructure Project Planning Report, prepared by the Director of Finance pursuant to Article 2 (commencing with Section 13100) of Chapter 2 of Part 3 of Division 3 of Title 2.

(e) When the bank establishes or makes changes to the criteria, priorities, and guidelines, the bank shall notify the Governor, the fiscal and policy committees of the Legislature that exercise

legislative oversight of the bank, and appropriate state and local agencies.

(f) The resolution required in Section 63041 shall have been adopted prior to the project's selection by the bank.

SEC. 3. Section 63040 of the Government Code is repealed.

SEC. 4. Section 63041 of the Government Code is amended to read:

63041. (a) Prior to submitting a project to the bank for consideration, the legislative body or bodies of the sponsor or sponsors of the project shall find, by resolution, each of the following:

(1) The project is consistent with the general plan of both the city and county, or city and county in the case of San Francisco, or only the county for projects in unincorporated areas in which the project is located.

(2) The proposed financing is appropriate for the specific project.

(3) The project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources. The project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities.

(4) The project is consistent with the criteria, priorities, and guidelines for the selection of projects adopted pursuant to Section 63034.7.

(b) Upon the adoption of the resolution in subdivision (a) by the legislative body, the legislative body shall transmit the resolution to the executive director of the infrastructure bank.

Approved _____, 2011

Governor